Budget Highlights

Ministry of Health and Social Services
2001 - 2002

Prince Edward Island
CANADA

Health and
Social Services
James W. Ballem
Minister

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The 2001-2002 Budget

Base funding for Health and Social Services will be increased by $27.3 million in 2001-2002, to $353.4 million. The budget responds to rising costs, increased demand for health and social services, and the need for strategic investments in wellness and children's health.

Budget Increases 2001 - 2002

	2000-2001	2001-2002
Health and Social Services System	317.1	340.4
East Prince Health Facility	9.0	13.0
Gross Expenditures	**326.1**	**353.4**
Gross Revenue	**21.9**	**24.6**
Net	**304.2**	**328.7**

In the last five years, the budget, not including the East Prince Health Facility, has increased from $285 million to $340 million, an increase of 19 percent.

Health spending is now more than 42 percent of all provincial government program expenditures. While Government is pleased to be able to meet increasing demands in health and social services, we are also concerned about the rapid rate of growth in health spending. The continued growth of health spending at a rate higher than provincial GDP can limit our ability to pay for health services, and has the potential to crowd out spending on other valued government services that also promote health and well-being.

Budget principles

This budget is designed to meet immediate needs and address critical issues facing our health system, based on three budget principles:

- maintain adequate and stable funding for front line staff and services
- fund improvements in the way services are accessed and delivered
- provide for strategic investments in wellness and children's health

Meeting increased costs and demand

Hospitals, Manors and Home Care

Hospitals, manors and home care services will receive additional funding of $10.5 million this year. These budgets have been increased to provide adequate and stable funding in these major core program areas. The new funds will provide needed flexibility to address ongoing pressures such as staffing costs, the rising cost of drugs and medical supplies, and increasing acuity levels in hospitals, manors and home care.

Private Nursing Homes

In addition, private nursing homes will receive new funding of $680,000 to assist with increasing costs, the increasing number of residents who are subsidized by the provincial government, and the addition of ten new long term care nursing beds in Southern Kings.

Seniors Drug Program

More than $1.25 million will be added to the seniors drug program.

Spending on seniors drugs increased 75 percent in the past five years, from $3.6 million in 96-97 to $6.3 million in 00-01. Major cost drivers are drug costs, the increasing number of seniors using the program, and the increasing use of drug therapies as the treatment of choice.

According to the latest Canadian Institute of Health Information data, Prince Edward Island has the highest proportion of health care spending on drugs in Canada, at 17.3 percent. Our per capita spending on drugs is also the highest in Canada, at $450 per person per year.

Ambulance Services

Funding of $1.6 million will be provided in 2001-2002 to assist ambulance operators with increasing costs, and reduce the cost of out-of-province ambulance services to Islanders.

Blood Services

The Province will provide an additional $800,000 to Canadian Blood Services this year to meet increasing costs associated with providing a safe and secure blood system.

Dialysis

The dialysis treatment program will receive an additional $106,000 to meet increasing demand for hemodialysis treatment and replacement equipment.

Support to Non-Government Organizations

The budget will include increased funding of $200,000 for non-government organizations.

Health Care Costs
Department of Health and Social Services, 96-97 to 01-02

	96-97 (Actual)	01-02 (Budgeted)	Dollar Increase	% Increase
Physician Services	32.8 M	39.5 M	6.7 M	+ 20%
Drug Programs	9.2 M	14.6 M	5.4 M	+ 59%
Hospital Costs	95.1 M	112.6 M	17.5 M	+ 18%
Home Care	4.5 M	6.3 M	1.8 M	+ 40%
Ambulance Services	2.0 M	3.5 M	1.5 M	+ 75%
Blood Services	1.9 M	3.5 M	1.6 M	+ 84%
Government Manors	24.0 M	29.4 M	5.4 M	+ 22%
Private Nursing Homes	4.2 M	7.1 M	2.9 M	+ 69%

Other cost increases:

Nursing costs have increased from $32.3 million in 1998 to $42.3 million in 2001, a three-year increase of $10 million or 31%.

Spending on medications provided in hospitals is now at $5 million annually, and these costs are increasing 8% per year.

Heating costs have increased from $2.3 million in 1999-2000 to $3.3 million in 2001-2002, a two-year increase of 45%.

Recruitment and Retention

Investments in the recruitment and retention of health professionals will continue this year, with $2.2 million budgeted for nursing, and $1.1 million for physician recruitment and retention initiatives.

Healthy Child Development

It is well documented that early childhood experiences have a lasting impact on how a person performs in school, their behaviour and coping skills, and their risk for chronic illness in later life. Several new initiatives will be introduced this year to support Prince Edward Island's new Healthy Child Development Strategy.

Autism Policy

A new provincial autism policy will be introduced to increase access to intensive early interventions for children with autism. The program will build on the success PEI has already achieved in this area to support these children to participate in their schools and communities, reduce stress on families, and reduce the need for costly long term interventions.

Child Protection

New investments of $250,000 will be used to strengthen front line child protection services, and support new child protection legislation which will allow for more appropriate interventions to protect children. Each year, more than 1,300 Island children come under the protection of the province.

Child Care Assistance

Funding for child care assistance will increase by $350,000 to meet growing demand as more parents move into the workforce.

Support to the Healthy Child Development Strategy

Funding of $100,000 will support the implementation of the Healthy Child Development Strategy, including the establishment of the Premier's Council on Healthy Child Development and a new Children's Secretariat.

Other Children's Initiatives

Other children's initiatives will be implemented using existing resources, for example a children's mental health network, a supported adoption program for children in permanent care, and enhancements to the Family Health Benefit, which assists lower income families with children with the cost of prescription drug coverage.

Wellness

Several wellness initiatives will be implemented to prevent illness, promote healthy lifestyles, and assist Islanders to take more responsibility for their own health.

Chronic Illness Prevention

Prince Edward Island has high rates of chronic illness including high incidences of cancer, diabetes, and the highest rate of cardiovascular death in Canada. This is the predictable result of the highest male smoking rate in Canada and the lowest rate of physical activity in Canada.

New funding of $100,000 will be allocated to a new chronic illness prevention initiative, which will promote healthy behaviours such as exercising regularly, controlling stress, maintaining a healthy body weight and choosing not to smoke.

Diabetes Strategy

Funding of $50,000 will be provided for the continued implementation of a provincial diabetes strategy to assist Islanders to prevent or delay the onset of diabetes and its complications which include kidney failure, heart disease and blindness.

Tobacco Reduction

Funding of $60,000 will be used to establish smoking cessation programs across the province and smoke-free workplace policies.

Cervical Cancer Initiative

Funding of $30,000 will be provided to continue the highly successful cervical cancer education campaign initiated this year.

Improved Access

Several new initiatives will be introduced in the coming year to improve the way services are accessed and delivered. This will involve improvements in the way services are organized, the way people access them, and the way health professionals work together to deliver them.

Disability Supports Program

A new provincial Disability Supports Program will assist persons who have a physical or intellectual disability to overcome barriers, achieve financial independence and a satisfactory quality of life. It will be the first program in the country to remove disability supports from financial assistance programs under the Welfare Assistance Act.

Through the program, people will be able to work, earn income, and still qualify for the disability supports they need. The program responds to long standing concerns of the disability community. It will be implemented during the coming year following further consultation with disability groups.

The disability supports and autism programs will be funded by $1.5 million in new dollars, as well as $5.9 million from existing budgets for a total program budget of $7.4 million.

Primary Health Care Redesign

New federal funding of $700,000 will support new initiatives in primary health care. Consultations will be held with physicians and other primary care providers to improve access to a broader range of health professionals within family practice settings.

Addiction Services

Additional funding will be made available to implement new womens addictions programs and treatment programs for problem gamblers.

Mental Health Services

A new provincial crisis response system will be implemented through new investments of $500,000 in mental health services. The program will complement the work of the new children's mental health network. Consultations have identified that crisis response is a high priority need for clients and their families, emergency room staff, family physicians and psychiatrists.

French Language Services

New federal and provincial funding of $1.3 million will be made available to increase access to health and social services in both official languages. This is part of our ongoing commitment to better meet the needs of the Acadian and Francophone community.

Health Information

Further investments of $1.2 million will be made in the provincial health information system to improve access to current and accurate health information, and implement a new pharmacy information system.

New East Prince Health Facility

Funding of $13 million will be allocated to the construction of the new East Prince Health Facility which is expected to begin this year.

Long Term Care Facilities

This budget also provides $760,000 for expansion of long term care facilities at Community Hospital in O'Leary.

Conclusion

Government is pleased to respond in this budget to immediate needs for increased funding to meet rising costs and demand.

At the same time, we recognize that longer term solutions are needed to assist Islanders to improve their health and subsequently reduce demand on the system, so that it is sustainable for us and for future generations.